LOCAL AUTHORITIES BOARD

TWENTY-SIXTH ANNUAL REPORT 1986

Alberta
LOCAL AUTHORITIES BOARD

87-02074/

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Office of the Chairman

6th Floor, Pacific Plaza, 10909 Jasper Avenue, Edmonton, Alberta, Canada T5J 3L9 403/427-4278

January 30, 1987

The Honourable Don R. Getty
President of the Executive Council
Province of Alberta
307 Legislature Building
EDMONTON, Alberta
T5K 2B7

Dear Mr. Getty:

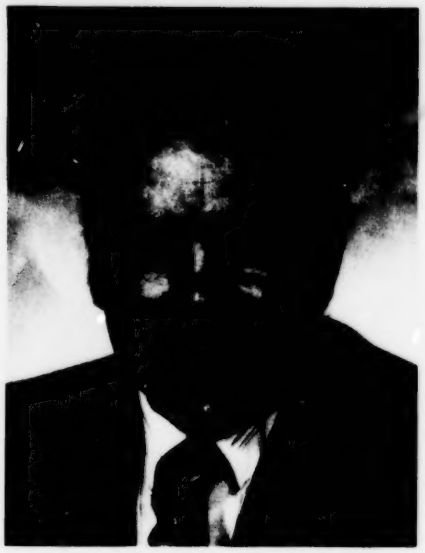
I have the honour to submit herewith the Twenty-Sixth Annual Report of the Local Authorities Board for the year 1986.

In addition to providing the information required by Section 26 of the Local Authorities Board Act, this Report also presents a brief description of the Board, its responsibilities and significant activities which occurred during 1986.

Respectfully yours

C.I. Shelley
Chairman

In Memoriam



John A. Hammond

"I shall pass through
this world but once.
Any good therefore
that I can do or any
kindness that I can
show to any human
being, let me do it now.
Let me not defer or
neglect it for I shall
not pass this way again."

John A. Hammond was born on a farm in Saskatchewan in 1927. The so-called "Dirty Thirties" forced him to commence work at an early age. Due to his inquisitive mind and desire to educate himself, he went to college where he earned a B.Ed. degree. He taught for a while and after getting married in 1954, he enrolled at the University of Saskatchewan and obtained a degree in law and was admitted to the Bar in 1960. He worked for the Law Department of the City of Calgary and later had his own practice in the Town of Fairview. He was appointed and served as Family Court Judge for the Peace District for two years. After a short stay in Duncan, B.C., he moved to Lethbridge where he became City Solicitor until 1977. In that year he joined the Local Authorities Board as its Solicitor Member and served in that capacity until his sudden death on December 19, 1986.

Mr. Hammond had a great knowledge of municipal law and knew Alberta as few people do. He attended close to 500 public hearings all over the Province and during those hearings he not only demonstrated his thorough knowledge of specific areas, but using his experience in farming, law and education, he guided those present in a pedagogical way. The Board Orders written by him were pieces of artwork explaining at great length the Board's reasoning. He loved to go to the hearings to meet and talk to people on any topic as he was a voracious reader and extremely knowledgeable in numerous areas. He was an idealist, who dreamed and hoped for a world in which love, decency and understanding will prevail. He was a family man, leaving behind the wife he worshipped and 11 children he loved.

The Board will miss John. Perhaps as Thornton Wilder imagined in his play "Our Town" he will look down with satisfaction at the long term results of his valuable work.

From the Chairman

It is my pleasure to present the 26th Annual Report of the Local Authorities Board and review briefly our activities during 1986.

The number of applications approved for debenture borrowing increased from 399 to 455, while in monetary terms we experienced a decrease from $360,946,000 to $353,254,000. The majority of the applications related to school borrowings, transfer of unused funds and low cost capital works. Municipalities realized the economic strains and borrowed for absolutely essential purposes only.

The number of petitions received for annexation, separation and tax exemptions increased from 56 in 1985 to 59 in 1986. The tax exemption applications increased from 26 to 32 and indications are for a similar increase in 1987. Annexation petitions were received on a constant flow basis from municipalities located mainly in the southerly and easterly parts of the Province. The Board also dealt with four applications requesting the review of orders issued by predecessor boards.

Altogether, the Board conducted 50 hearings and issued 516 Orders during 1986 and collected $133,917 in fees.

The Minister of Municipal Affairs, based on the recommendation of the Debt Guideline Steering Committee, and in accordance with Section 27(1)(g) of the Local Authorities Board Act, approved the use of borrowing guidelines for municipalities except for those that have a rating of "A" or better from an accredited bond rating agency. Accordingly, by the end of 1986, fourteen municipalities were warned that they are approaching the upper limits of the guidelines and six municipalities were requested to lower their respective debts prior to further borrowings.

In November the Board was represented at the Annual Meeting of the Alberta Urban Municipalities Association in Edmonton.

The year-end brought a great loss due to the sudden death of John A. Hammond, Board Member since 1977.

In closing, I wish to express my appreciation to our staff for their valuable work.

Introduction

Authority

The Board obtains its authority from the Local Authorities Board Act, Chapter L-27, Revised Statutes of Alberta 1980 as amended.

The Board

The Local Authorities Board of Alberta is an independent quasi-judicial tribunal. The Board has all such powers, rights, privileges and immunities as are vested in the Court of Queen's Bench with regard to proceedings, the attendance and examination of witnesses, the production and inspection of documents, the enforcement of its Orders, the payment of costs and all other matters necessary or proper for the due exercise of its jurisdiction or otherwise for the carrying into effect any of its powers.

The Orders, decisions, rules or regulations of the Board may, with leave, be appealed to the Court of Appeal on questions of jurisdiction or law but not on questions of fact. The Board's Orders relating to petitions for annexation have no effect unless approved by the Lieutenant Governor in Council who may approve the Order, prescribe conditions that the Order is subject to and approve the Order subject to those conditions, vary the Order and approve the Order as varied, or disapprove the Order.

The Board is not subject to direction by any Minister, Member of the Legislative Assembly, or government official in respect to its quasi-judicial duties.

The Members

The Local Authorities Board Act provides for not more than six persons appointed by the Lieutenant Governor in Council as members of the Board. A member of the Board holds office during pleasure.

The Staff

The Board had nine staff members in 1986. The Financial and Territorial Services Divisions report to the Director of Administration and Board Secretary.

Location

The Board offices are located on the 6th Floor of the Pacific Plaza, 10909 Jasper Avenue, Edmonton, T5J 3L9 (telephone 403-427-4278).

Reporting and Audit

The Board reports to the Lieutenant Governor in Council through the Minister of Municipal Affairs. The Board's expenses are paid from the Province's General Revenue Fund and the accounts are audited by the Provincial Auditor General.

Financing

The Board operates on a fiscal year basis, April lst to March 31st and submits a yearly budget for approval to the Legislature. As of December 31, 1986, the Board was within its total budget. It is difficult to forecast expenditures accurately as the Board cannot estimate precisely the nature, extent and number of applications with which it must deal.

The table below indicates the details of the Board's budget:

EXPENDITURE GROUPS	ACTUAL 1985-1986	ESTIMATE 1986-1987
Manpower	403,338.07	433,866.00
Supplies & Services	134,015.39	77,995.00
TOTAL EXPENDITURE	537,353.46	511,861.00

The Board obtained $133,917 from fees during 1986 in connection with applications from local authorities for loan authorizations by way of debentures, petitions for annexation or separation of land, applications for tax exemptions, miscellaneous amendments, and copies of Orders, etc.

Responsibilities

The Local Authorities Board Act - Other Acts Administered

Section 27 of the Local Authorities Board Act states that

(1) The Board has all the necessary jurisdiction and power

(a) to inquire into the merit of any application of a local authority for permission to raise money by way of debenture or on the security of stock;

(b) to supervise the expenditure of money borrowed by a local authority;

(c) to deal with the financial affairs of local authorities;

(d) to grant permission for the extension of the time for repaying the indebtedness incurred by a local authority for the cost of its public works;

(e) to separate land from an urban municipality;

(f) to order compromises of tax arrears;

(g) subject to the approval of the Minister to establish limits for borrowing by local authorities.

(2) In addition to the jurisdiction and powers mentioned in subsection (1), the Board has all necessary jurisdiction and powers to perform any duties that are from time to time assigned to it by statute or pursuant to statutory authority.

In addition to the aforementioned legislation, there are also numerous sections within the Municipal Government Act which require the approval of the Board pertaining to various matters. There are also several sections within the Municipal Taxation Act, the Municipal Tax Exemption Act, the New Towns Act, the School Act, the Planning Act, the County Act, the Clean Water Act, the Irrigation Act, the Hospitals Act and the Tax Recovery Act that fall to a certain extent under the jurisdiction of the Board. The Board is bound by the Administrative Procedures Act.

Services

The Board considers and decides upon matters falling into several categories:

A. Debt Creation and Debt Management

1. Applications by local authorities for authorization of debenture borrowings (the Local Authorities Board Act, the Municipal Government Act and the School Act).

2. Applications by local authorities for use of surplus debenture funds (the Municipal Government Act and the Local Authorities Board Act).

B. Financial Management

3. Applications for inquiry into the affairs of local authorities where financial difficulties are involved, including fixing by Order of the terms and conditions of any resultant financial control of the authority by the Board (the Local Authorities Board Act).

4. Authorization of financial programs for controlled local authorities including a New Town (the Local Authorities Board Act and the New Towns Act).

C. Taxation, Arrears and Special Assessments

5. Recommendations to the Lieutenant Governor in Council respecting applications by non-profit organizations for exemption from assessment and taxation of properties leased from the Crown or owned and either used by the organization or leased to other non-profit organizations (the Municipal Tax Exemption Act).

6. Applications for compromise of tax arrears (the Local Authorities Board Act).

7. Applications by municipalities for approval to carry out local improvement work and assess the costs thereof against the properties concerned, notwithstanding the lack of consent of the required majority of owners concerned (the Municipal Taxation Act).

D. Territorial Jurisdiction

8. Petitions for annexation or separation of lands to or from municipalities, including the fixing of terms and conditions of such annexation or separation (the Municipal Government Act, the Local Authorities Board Act and the County Act). The annexation Board Orders are subject to approval by the Lieutenant Governor in Council.

9. Applications for approval to acquire lands lying outside the boundaries of a municipality when consent of the municipality in which the lands are situated cannot be obtained (the Municipal Government Act).

10. Referrals by the Irrigation Council of petitions for formation, change of area, amalgamation or dissolution of Irrigation Districts, including the fixing of terms (the Irrigation Act).

E. Other Matters

11. Recommendations to the Lieutenant Governor in Council concerning matters referred to the Board (the Local Authorities Board Act).

12. Applications to authorize the amendment or rescinding of municipal tax sharing agreements when mutual agreement cannot be reached (the Municipal Government Act).

13. Applications by ratepayers for examination of procedures in determining the sufficiency of a petition for or against a local improvement (the Municipal Taxation Act and the Municipal Government Act).

14. Applications by municipalities for establishment and maintenance of plans of insurance to cover municipal property losses and municipal legal liability to others arising out of accidents and occurrences (the Municipal Government Act).

Other Functions

General

The Board communicates through its Orders, Recommendations and Regulations and does not report to any superior in respect to its day to day activities. However, the Board performs a number of functions to assist the Government, Legislative Assembly and municipalities while still maintaining its independence and quasi-judicial status.

Inquiries

The Board, of its own motion may, and upon the request of the Lieutenant Governor in Council shall, inquire into, hear and determine any matter or thing within its jurisdiction. Public hearings are generally held in respect to such inquiries with the result that the Lieutenant Governor in Council receives a report.

Reports

The Board reports its activities to the President of the Executive Council by means of its Annual Report.

Legislative Changes

When requested, the Board provides comments on proposed changes to legislation in respect to matters affecting the Board. Generally, the proposed changes to legislation are initiated by the Board or by the Government.

Orders in Council

The Board issues Orders and makes Recommendations for Orders in Council in respect to annexation and tax exemption matters respectively. The Lieutenant Governor in Council makes the decision whether or not to approve same.

Activities

The following is a summary of applications dealt with by the Board:

	CARRIED FROM 1985	NEW ADDED IN 1986	NUMBER GRANTED IN PART OR FULL	NUMBER NOT GRANTED*	OUTSTANDING AS AT DEC. 31, 1986
Financial					
Debenture	13	450	427	23	13
New Town Estimates	0	1	1	0	0
Use of Surplus Funds	0	24	22	2	0
Amendments	1	35	36	0	0
Miscellaneous	0	8	7	1	0
Territorial					
Annexation	8	14	14	4	4
Separation of Land	1	0	0	1	0
Tax Exemptions	12	41	12	25	16
Amendments	1	4	2	0	3

(* NUMBER NOT GRANTED includes applications refused, returned or withdrawn)

Summary
Debenture Borrowings Approved - 1986 (In Thousands of Dollars)

Category of Application	Cities	Towns and New Towns	Villages	Counties And Municipal Districts	School Divisions And Districts	Water Commissions	Total
Sewer and Water							
# Approved	23	28	17	12	0	1	81
Amount Approved	33,998	6,664	1,242	1,802	0	2,377	46,083
Roads, Bridges, Curb, Gutter and Sidewalk							
# Approved	85	38	11	1	0	0	135
Amount Approved	30,182	4,880	664	108	0	0	35,834
Land and Municipal Buildings							
# Approved	7	5	1	2	0	0	15
Amount Approved	7,615	1,330	121	1,075	0	0	10,141
Vehicles, Equipment and Machinery							
# Approved	10	1	1	0	0	0	12
Amount Approved	49,223	29	15	0	0	0	49,267
Utilities							
# Approved	7	1	0	0	0	0	8
Amount Approved	14,003	92	0	0	0	0	14,095
Parks and Recreational							
# Approved	24	5	0	0	0	0	29
Amount Approved	15,723	2,709	0	0	0	0	18,432
School Purposes							
# Approved	0	1	0	64	107	0	172
Amount Approved	0	1,900	0	42,313	134,876	0	179,089
Health and Community Services							
# Approved	2	0	0	0	0	0	2
Amount Approved	113	0	0	0	0	0	113
Subdivision and Development							
# Approved	0	1	0	0	0	0	1
Amount Approved	0	200	0	0	0	0	200
Totals							
# Approved	158	80	30	79	107	1	455
Amount Approved	150,857	17,804	2,042	45,298	134,876	2,377	353,254

Summary
Annexations Granted – 1986

PROPOSED USE OF ANNEXED LANDS IN HECTARES (ACRES)

	CITIES	TOWNS	VILLAGES	TOTAL
Number of Applications	1	9	4	14
Residential	265.47 (656.00)	113.43 (280.28)	70.68 (174.64)	449.58 (1,110.92)
Industrial	517.38 (1,278.47)	106.51 (263.18)	80.18 (198.13)	704.07 (1,739.78)
Commercial	0.00 (0.00)	92.25 (227.97)	56.96 (140.76)	149.21 (368.73)
Control	0.00 (0.00)	144.23 (356.40)	37.56 (92.82)	181.79 (449.22)
Recreational	0.00 (0.00)	0.00 (0.00)	1.98 (4.90)	1.98 (4.90)
Other	0.00 (0.00)	13.46 (33.27)	1.53 (3.78)	14.99 (37.05)
Totals	782.85 (1,934.47)	469.88 (1,161.10)	248.89 (615.03)	1,501.62 (3,710.60)

Summary of Financial Applications Approved by Local Authority

CITIES	
Airdrie	3
Calgary	29
Camrose	10
Drumheller	1
Edmonton	54
Fort McMurray	9
Fort Saskatchewan	1
Grande Prairie	1
Leduc	2
Lethbridge	11
Medicine Hat	16
Red Deer	12
St. Albert	5
Spruce Grove	2
Wetaskiwin	7
Total	163

TOWNS	
Athabasca	1
Barrhead	1
Bon Accord	1
Bowden	1
Brooks	7
Calmar	3
Canmore	2
Castor	2
Claresholm	1
Coaldale	2
Cochrane	1
Coronation	1
Crowsnest Pass (Municipality)	10
Devon	2
Didsbury	1
Elk Point	1
Fairview	3
Falher	1
Fort Macleod	2
Grand Centre	6
Grimshaw	1
Hardisty	2
High River	1
Hinton	4
Lac La Biche	1
Lacombe	3
Magrath	1
Manning	1
McLennan	1
Olds	2

TOWNS (continued)	
Oyen	1
Peace River	2
Pincher Creek	2
Ponoka	8
Provost	1
Rainbow Lake	1
Rimbey	3
Rocky Mountain House	1
Slave Lake	2
Smoky Lake	1
Spirit River	2
St. Paul	1
Stettler	1
Strathmore	3
Sundre	2
Valleyview	1
Vauxhall	3
Viking	1
Westlock	2
Total	104

VILLAGES	
Breton	1
Burdett	1
Chauvin	3
Chipman	1
Coalhurst	1
Coutts	4
Delburne	1
Dewberry	2
Duchess	1
Edgerton	2
Foremost	1
Galahad	1
Glendon	1
Hythe	2
Lougheed	2
Milo	1
Munson	1
Rumsey	1
Rycroft	1
Ryley	2
Sangudo	1
Thorhild	1
Tilley	1
Youngstown	1
Total	34

COUNTIES	
Grande Prairie # 1	6
Vulcan # 2	1
Ponoka # 3	5
Newell # 4	4
Warner # 5	2
Stettler # 6	1
Forty Mile # 8	2
Beaver # 9	2
Wetaskiwin # 10	2
Barrhead # 11	5
Athabasca # 12	2
Smoky Lake # 13	1
Lacombe # 14	1
Mountain View # 17	3
Paintearth # 18	1
St. Paul # 19	5
Strathcona # 20	7
Camrose # 22	4
Red Deer # 23	3
Vermilion River # 24	3
Leduc # 25	1
Lethbridge # 26	1
Minburn # 27	2
Lac Ste. Anne # 28	1
Flagstaff # 29	2
Lamont # 30	4
Parkland # 31	8
Total	79

MUNICIPAL DISTRICTS	
Cypress # 1	1
Rocky View # 44	1
Total	2

SCHOOL DISTRICTS	
Calgary R.C.S. #1	2
St. Albert #3	1
St. Albert Protestant S. #6	1
Edmonton R.C.S.#7	4
Edmonton #7	4
Pincher Creek R.C.S. #18	1
Calgary #19	6
Medicine Hat R.C.S. #21	3
Grande Prairie R.C.S. #28	1
McLennan R.C.S. #30	1
Wainwright R.C.S. #31	1
Fort McMurray R.C.S. #32	2
Lethbridge #51	4

SCHOOL DISTRICTS (continued)	
Taber R.C.S. #54	1
High Prairie R.C.S. #56	1
Camrose R.C.S. #60	1
Medicine Hat #76	1
Banff #102	2
Red Deer Public #104	3
Lakeland R.C.S. #150	3
Edson R.C.S. #153	1
Wetaskiwin #264	1
Leduc #297	1
Camrose #1315	1
Stettler #1475	1
Legal #1738	1
Brooks #2092	2
Whitecourt #2736	6
Fort McMurray #2833	2
Swan Hills #5109	1
Lakeland #5460	2
Total	62

SCHOOL DIVISIONS	
Cardston #2	2
Cypress #4	1
Taber #6	1
Acadia #8	1
Peace River #10	3
Rocky Mountain #15	2
Willow Creek #28	4
Wainwright #32	2
Provost #33	1
Westlock #37	3
Foothills #38	3
Rocky View #41	3
Spirit River #47	3
High Prairie #48	1
Fairview #50	3
Fort Vermilion #52	7
East Smoky #54	1
Three Hills #60	1
Northland #61	6
Total	48

WATER COMMISSIONS	
Capital Region Vegreville Corridor	1
Total	1

Annexation Applications Granted By Local Authority

CITIES	
Airdrie	1
Total	1

TOWNS	
Claresholm	1
Crossfield	1
Elk Point	1
Granum	1
Nanton	1
Oyen	1
St. Paul	1
Slave Lake	1
Turner Valley	1
Total	9

VILLAGES	
Donnelly	1
Hines Creek	1
Hughenden	1
Morrin	1
Total	4

Summary of Applications By Category Of Local Authority

CATEGORY OF LOCAL AUTHORITY	FINANCIAL APPLICATIONS	ANNEXATION APPLICATIONS
Cities	163	1
Towns	104	9
Villages	34	4
Counties	79	0
Municipal Districts	2	0
School Districts	62	0
School Divisions	48	0
Water Commissions	1	0
Totals	493	14